

WORLD TRADE ORGANIZATION

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Committee on Customs Valuation

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**NOTIFICATION UNDER PARAGRAPH 1 OF ANNEX III
TO THE AGREEMENT ON IMPLEMENTATION OF
ARTICLE VII OF THE GENERAL AGREEMENT
ON TARIFFS AND TRADE**

UNITED ARAB EMIRATES

The following communication, dated 5 July 2004, is being circulated at the request of the Delegation of the United Arab Emirates.

To ensure the United Arab Emirates' effective implementation and administration of the WTO Agreement on Customs Valuation, we would like to inform the Committee on Customs Valuation that the Federal Customs Authority in the UAE has confirmed all legal, organizational and administrative obligations relating to implementation of Article VII of GATT 1994 and completely accomplished.

Please find attached the details of all procedures made by the Customs Authority in this regard.

Implementation of Article VII of The General Agreement on Tariffs & Trade 1994 (GATT)

The World Trade Organization (WTO) granted UAE an additional deadline ending on 31 December 2003 for postponing implementation of Article VII OF GATT 1994. The deadline was meant to enable UAE, as a Member state, fulfilling its legal obligations towards WTO relating to the implementation of Article VII of the Agreement on Customs Valuation. The request for the postponement was based on the following justifications:

- The insufficiency of the human resources qualified and able to support the implementation measures.
- The establishment of the customs valuation Database and the related networking are time consuming and require considerable resources.
- The federal nature of the United Arab Emirates and the multiplicity of customs points.
- The need to coordinate among Gulf Council Countries (GCC) member States with the aim to reach a common legislation.

Upon enjoying the given deadline ending on 31 December 2003, UAE confirms that all legal, organizational and administrative obligations relating to implementation of Article VII of GATT 1994 are fulfilled through completing the following tasks:

1. The insufficiency of the human resources qualified and able to support the implementation measures.

As part of the training plans for the past two years, UAE customs staff have been trained and qualified on technical issues relating to the application of customs valuation assessment criteria and methods in accordance with the provisions of Article VII of GATT 1994.

2. The establishment of the customs valuation Database and the related networking are time consuming and require considerable resources.

UAE Customs strives to develop a valuation database as to be used in assessing identical and similar goods in accordance with the provisions of Articles 2 and 1 of the Agreement on Customs Valuation. This would be introduced through creating inter-customs posts link and communication system as to assist with exchange of information on approved & cleared transaction values.

3. The federal mature of the United Arab Emirates and the multiplicity of customs points.

Under the Federal Law No (1) of 2003, a Federal Authority dealing with customs matters in the country as whole was established. The Federal Authority is responsible for:

- (a) Depict general customs policy in collaboration with the individual customs administrations.
- (b) Develop legislations for regulating customs business.
- (c) Oversee implementation of customs legislations by individual customs administrations and other relevant government agencies.
- (d) Follow-up in collaboration with the respective agencies in country the implementation of decisions taken at regional and international conferences & meetings dealing with customs issues.

4. The need to coordinate among Gulf Council Countries (G.C.C) member States with the aim to reach a common legislation.

The common customs law of the GCC States was entered into force as from 1 January 2003. Articles 2, 26, 61 and 62 of the common customs law of the GCC States provides a legal coverage for implementing Article VII of GATT 1994 and contain the provisions of the Agreement on Customs Valuation as to the following aspects:

- Transaction values for imported goods shall be accepted as customs value in accordance with the provisions of Articles 1 and 8 of the Agreement on implementation of Article VII of GATT 1994.
- If no transaction values are provided for the imported goods, customs value shall be determined using alternative assessment methods in accordance with Articles 2-7 of the agreement on implementation of Article VII of GATT 1994.
- Initial right of appeal and protesting against a valuation determination without penalty in accordance with Article 11 of the Agreement on implementation of Article VII of GATT 1994.
- Where conflicts over determining customs value arise, delivery and release of goods shall not be delayed unless sufficient guarantee is provided in accordance with Article 13 of the Agreement on the Implementation of Article VII of GATT 1994.

Laws, regulations, judicial decisions and administrative rulings shall be published in accordance with the provisions of Article 12 of the Agreement on implementation of Article VII of GATT 1994.
